

**Rhode Island Commerce Corporation  
Request for Proposals  
For  
Innovation Center for Design and Manufacturing:  
Defense Industry Diversification Initiative - Phase II**

**Request for Proposals**

**Title: Professional services in support of the “Innovation Center for Design and Manufacturing: Defense Industry Diversification Initiative – Phase II”**

**Submission Deadline: February 5, 2016 @ 2:00 PM (Eastern Time)**

**Section 1: Introduction**

Commerce RI is Rhode Island’s lead agency for all economic and community development matters and as a result works closely with the defense installations and manufacturers. The Defense sector in Rhode Island represents \$3.7 billion in direct and indirect economic activity and supports approximately 32,993 jobs (15,760 direct, and 17,233 indirect and induced). As the Department of Defense estimates decreased budgets in the foreseeable future, we must not expect “business as usual”, and instead should aggressively prepare our manufacturers and communities for adjustment and economic diversification. Rhode Island Commerce Corporation (Commerce RI) is soliciting proposals for professional services to assist in the DoD Office of Economic Adjustment (OEA) – funded Innovation Center for Design and Manufacturing: Defense Industry Diversification Initiative – Phase II, a Request for Proposals. Responses will be evaluated on the basis of relative merits of the proposals received.

**Section 2: Background**

Commerce RI received a grant from the Department of Defense, Office of Economic Adjustment (OEA) in September 2014 for an initial effort to support defense industry diversification. The following Tasks were executed:

- Collected data, analyzed risks and opportunities for our defense companies
- Developed a network of interested stakeholders
- Designed and piloted a program of Design Readiness Assessments for defense related manufacturers
- Developed an innovation strategy to facilitate increased technology commercialization
- Developed a framework of proposed curriculum to train all levels of defense workforce in design-related and engineering thinking
- Model and develop shared space for use by industry and partners

The analysis and experience gained in the process of this first phase of the diversification project has informed our approach and is manifested in an 18-month program of effort that continues the process of building tools and expertise that benefit the state's defense-related manufacturing companies.

Phase II of the Innovation Center for Design and Manufacturing (aka STEAM ENGINE USA) - Defense Industry Economic Diversification initiative, will continue to be led by the Rhode Island Commerce Corporation. Commerce RI is seeking to take the next step in the development of a holistic community adjustment and economic diversification program in order to continue supporting the manufacturing supply chain in the state.

We will provide assistance to the firms most significantly impacted by reduced Department of Defense procurement. These efforts will employ selection criteria (e.g. reinvestment potential) as well as the best available information regarding firms that are impacted and prioritize impacts over all other subjective criteria.

The overarching goals of the work associated with this proposal include:

- Provide a full continuum of services to defense-related manufacturers that are looking to diversify their economic base and potential.
- Perfect the approach to economic diversification as embodied in the initial design readiness assessments for companies, and provide assistance to at least fifty companies
- Replicate the approach and tools developed during the first phase of this pilot.
- Develop a lasting, sustainable innovation center for defense-related manufacturers.

These goals will be met by executing a four-part program of work that includes the following deliverables:

1. Creation of an Innovation Center for Design and Manufacturing
2. Implementing a Design Readiness Service Package Program
3. Development of curriculum for a design-manufacturing certificate of training
4. Management and communications to support Commerce RI manage and implement the Phase II program

The RFP will be used to implement this four-part program over an 18-month period.

Respondents, depending on firm expertise, may submit a proposal for all Tasks or any number of Tasks outlined in this RFP.

### **Section 3: Scope of Work**

#### **Task 1: Planning to Create an Innovation Center for Design and Manufacturing**

Commerce RI has developed an inventory of existing equipment and facilities that can be utilized by defense manufacturers as they seek to diversify and look for rapid prototyping opportunities. This inventory is posted on an online database that also includes profiles of expertise (individuals and organizations) and other resources that can serve defense manufacturers. The equipment information that is available includes:

- Type and description of equipment and characteristics (i.e. capabilities, model information, reliability score, etc.)
- Location and access descriptions
- Availability information (i.e.; hours of operation, reservation information)
- Fees and any other requirements associated with the equipment
- Contact information for access

Commerce RI is currently in the process of defining what a shared equipment space utilized by multiple defense contractors would entail and how it would best serve the industry. We have reviewed several models such as the TechShop (multiple locations), NextFab (Philadelphia), America Makes (Youngstown) and Boston University's Engineered Product Innovation Center (EPIC). Each of these Centers has a distinct operating model as they are either run as a private enterprise, a public organization or a university center. Our goal is to complete the evaluation, decide and implement the best strategy for Rhode Island to secure long-term sustainability of the Center.

To develop a final plan we will conduct the following steps:

##### **Task 1.1 Finalize Plan**

Finalize the prospectus and pro forma and determine final costs to startup and operate the center. This will include determining the operational model and partners, as well as the level of interest from philanthropic organizations in supporting the Center's creation and outreach to equipment vendors that may provide reduced cost or free equipment as sponsors of the Center. Assessment of funding sources to capitalize the startup shall be included.

##### **Task 1.2 Perform Site Selection**

Identify geographic locations (sites) and buildings that include a concentration of higher education institutions that could best serve to support and/or host the proposed center. Locations should take advantage of access to innovation, talent and state business incentives. Additional information should include:

- Project Financial Plan (including Pro Forma analysis)
- Architectural renderings and drawings of the proposed center

- New build lease costs that meets the financial plan
- Costs breakdown for leasehold improvements for any existing building identified for consideration.
- Other related services not on this list may be required.

For example, the Innovation Center for Design and Manufacturing could be located within the I-195 Innovation District property or with nearby properties/buildings. Such a location could be a major opportunity for defense manufacturers to engage in product development, diversification and new business opportunities

*Task 1 Deliverable: Development of an Innovation Center for Design and Manufacturing and creation of an ongoing sustainability model to serve defense manufacturers.*

#### Task 2: Design Readiness Assessment Service Package

In Phase I of the Defense Industry Adjustment grant, a group of Rhode Island stakeholders worked with Commerce RI and the contractor team to develop the Design Readiness Assessment framework. The framework is a tool that measures a company's capability and aptitude to embrace industrial design in order to diversify their economic base. The Assessment reviews include:

- Overall Business Capabilities
- Corporate Strategy
- Supply Chain Management
- Design, and Research & Development
- Technology Usage

During the course of the pilot grant award, we have continued to evolve the criteria based on the experience of the manufacturers and the assessment team.

The current design readiness assessment has three core parts:

- Part 1 – Assessment: Team of service providers ask a series of structured questions focusing on several facets of the business, with special focus on industrial design in the manufacturing process.
- Part 2 – Report: After the assessment is complete, the manufacturer's executive team will receive an objective assessment of their design readiness as well as a set of recommendations for such business practices as new product development, business diversification, LEAN systems integration; they can chose to implement such recommendations at their discretion.
- Part 3 – Facilitated Design Review: A focused design review is conducted with key members of the firm by industrial designers with concentration of 2-3 key areas of opportunity (i.e.; new product launch).

By the end of the Phase I pilot grant award, 20 companies received a design readiness assessment and the process evolved to a point of readiness for final testing and administration.

We propose to conduct additional Design Readiness Assessments (DRAs) at 3 levels of intensity. The basic level will mirror the effort started in the Phase I grant. It is expected that 30 companies will receive this level of assistance (Level 1). The companies that have received the level 1 will be used to identify a core group of companies that have received recommendations and are prepared for implementation. Commerce RI will also consider RI defense manufacturers who have not received a Level 1 assessment, and can demonstrate their ability to implement design or are incorporating design thinking in their processes today. Commerce RI will develop a process for companies to apply for additional assistance in the form of an implementation Service Package (Level 2). This package will be designed to provide resources (capital and technical assistance) needed for these companies to advance a product to market. Approximately 20 companies will receive this service package. The final level of Assessment will encompass 3 companies to receive a Design Catalyst Service Team service (Level 3), led by successful respondents to Task 2.3. This service will provide an extensive review of these companies' opportunities to modify their existing portfolio or create new products.

The following sub-tasks will be accomplished to develop and pilot the Design Readiness Assessment Service Package for all 3-levels.

#### Task 2.1: Design Readiness Assessment (Level 1)

Implement the final Design Readiness Framework and assess as many as 30 companies (maximum of \$15,000 each for cost of services) to fully prove the model and to help these manufacturers' identify diversification opportunities. During this phase, we will begin to transition the DRA framework to Polaris MEP, the state's manufacturing extension partnership organization, to allow them to lead the future effort. The Level 1 DRA assessment is evolving to be a component of the MEP toolkit that allows manufacturers to understand their capabilities and opportunities to develop new and enhanced products.

#### Task 2.2 Service Package Delivery (Level 2)

Following the DRA process, companies will be able to apply to receive a package of services to implement the resulting recommendations. These recommendations may include support for the design and development of a prototype; enhancements to the existing supply chain; enhanced processes and technique; and enhanced communications to secure new markets. The service package will allow for reimbursement of costs associated with the implementation of these recommendations up to an allowable amount that will be determined through the issuance of guidelines by Commerce RI. We estimate that 20 companies will receive these services. These figures were based on an average of \$35,000 in services needed and based on the experiences of the current round of DRAs.

#### Task 2.3 Design Catalyst (Level 3)

The final component of the Design Readiness Assessment Service Package will be the agreement by a Professional Design led Team to accept 3 companies in a Design Catalyst workshop tailored to support a company's launch of a new or significant enhancement to an existing product or product line. A selection

process will be employed that allows for application by defense manufacturers and the execution of agreements to highly ranked companies. Ranking will occur based on a set of to be published guidelines, but will include variables such as percent of dependency on defense funding; past growth trends; prospective ability to enter new markets and other key variables. Based on our analysis, which has identified over 100 companies in need of some form of diversification assistance, we believe that focusing on 3 companies over the next 18-months is achievable. The budget for these services was based on an average of \$100,000 per company and was developed through discussions with industrial design professionals at the Rhode Island School of Design and private sector companies.

*Task 2 Deliverable: At the end of this 18-month period the Design Readiness Service Package will have directly provided defense industry diversification services to approximately 50 companies. Metrics will include, but not be limited to: number of companies implementing recommendations from DRA reports; total commercialization opportunities generated; number of other DoD/Federal, State or private sector opportunities generated.*

### **Task 3: Development of a Design and Manufacturing Certificate for Defense-Related Manufacturers**

Commerce RI intends to partner with Rhode Island schools of Higher Education to develop an advanced certificate in product design and manufacturing and offer it to employees of defense manufacturers and to the companies themselves. This certificate program will build on existing product design and manufacturing Continuing Education courses, for defense-related manufacturers.

The workforce and talent analysis report conducted during Phase I has highlighted how critical it is for defense contractors to focus on higher end skills development especially regarding design to remain competitive.

Analysis from the Phase I pilot grant award highlighted the following regarding the occupations in the defense manufacturing sector:

- Six job families were identified through analyzing seven industry clusters. Those families are: Production Occupations, Architecture and Engineering, Office and Administrative Support, Computers and Mathematics, Management, and Business and Financial Operations. They employed 16,144 people in 2014.

Statistics highlight that defense-related manufacturing occupations will remain in continued flux. The analysis also shows that the capabilities developed with design-thinking cut across all of these positions and will make these employees more valuable to these firms and others.

The design and manufacturing certificate will be a key catalyst to allow Rhode Island's defense manufacturers and their employees, training and an official industry-wide certificate, demonstrating their

capabilities in the important area of design. To accomplish the development and implementation of this certificate the following subtasks will be undertaken. These Tasks include:

#### Task 3.1 Exploration

Perform research on other industry-wide certificate programs and understand the approach, pricing model and industry recognition of these efforts.

#### Task 3.2 Certification Program

Develop a design manufacturing industry training program and pilot with Rhode Island based defense manufacturers. Provide pre and post training surveys to understand how the training may impact the defense manufacturer.

#### Task 3.3 Dissemination

Publish the approach developed during the design and manufacturing certificate program and share with other OEA grantees and others.

*Task 3 Deliverable: A planned design and manufacturing certificate program established by Rhode Island Colleges and Universities with existing Design curricula.*

### **Task 4: Operations and Communications**

Commerce RI is contemplating establishing additional internal staff positions or seek vendors that will maintain offices at Commerce RI for select project support functions. The roles of these individuals could include project management support, contract management support, and overall support in facilitating the development of the Center for Design and Manufacturing. In addition, Commerce RI will seek on-going program support to maintain strong communications of all project tasks with the defense manufacturing community, the public and interested stakeholders.

Task 4.1: Support staff or vendors will take direction from Commerce RI that includes but is not limited to the following:

- Provide oversight and management of the ICDM initiative with Commerce RI staff
- Manage all aspects of the Advisory Board including coordinate all regular scheduled meetings, establish meeting agenda, maintain meeting notes and address follow-on actions.
- Consult with the Advisory Board to provide guidance as it executes the tasks associated with the Phase II project.
- Manage all internal and external communications for all three major tasks for the duration of the project schedule.
- Support Commerce RI staff with contract management

Respondents shall provide a schedule which matches the effort proposed and meets the end date of August 31, 2017

#### **Section 4: NOTIFICATIONS**

1. Equal Employment Opportunity (RIGL 28-5.1) – 28-5.1-1 Declaration of policy – (a)Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where the State dollar is spent, in employment, public services, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Opportunity Office at (401) 222-3090.
2. In accordance with Title 7, Chapter 1.1 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful contractor.
3. The Commerce Corp RI reserves the right to negotiate with the lowest qualified Bidder.
4. Respondents, depending on firm expertise, may submit a proposal for all Tasks or any number of Tasks (1 – 4) outlined.

#### **Questions:**

Questions, interpretations, or clarifications concerning this RFP should be directed by e-mail to John Riendeau at: [john.riendeau@commerceri.com](mailto:john.riendeau@commerceri.com) no later than 4:30 pm on January 25, 2016. Responses to questions, interpretations, or clarifications concerning this RFP will be posted online via addendum at [www.commerceri.com](http://www.commerceri.com) and [www.purchasing.ri.gov](http://www.purchasing.ri.gov) by January 27, 2016 to ensure equal awareness of important facts and details.

#### **Section 5: Response Specifics**

Potential bidders shall prepare their response in the format specified in this section, and shall include the following requested documents in their response:

1. Provide the name of your company and the name, address and telephone number and email address of a person with whom our office can communicate regarding this RFP.
2. Describe your company's years of experience and other relevant information to help Commerce RI understand your company's size, resources and the nature of your business.
3. Description of the consultant's understanding of the requirements, including the result(s) intended and desired. The approach and/or methodology to be employed for each proposed task, and a work plan for accomplishing the results proposed. For each proposed task, identify the project manager, and all other members of the project team and an estimate of time allocations.



4. A discussion and justification of the methods proposed and the technical issues that will or may be confronted at each stage of the project.
5. The work plan description shall include a list of project deliverables and a detailed monthly proposed project schedule with milestones that will be employed to administer the project and the task assignments of staff members and level of effort for each linked to the cost proposal and project deliverables.
6. Staff Qualifications/Experience of the respondent and project principals - Describe the respondent's general experience as well as its experience and qualifications with projects of a similar size, scope and use specific to the proposed tasks. Identify the overall project manager, project managers for each proposed tasks, other consultants, as well as other members of the project team and the percentage of their time to be spent on any task.
7. References including client name, address, contact person, telephone number, email, project start and end date, as well as a project description. References should be for similar or related projects that proposed key staff members for this project have worked.
8. Copies of all documentation which demonstrate the firm(s) has the legal ability to perform the services in the State of Rhode Island, described generally heretofore.
9. Certificate of Good Standing from the Rhode Island Division of Taxation will be delivered to the Corporation upon award
10. A listing of all current and ongoing contracts between any/all firms proposing and the Corporation or the State of Rhode land.
11. A disclosure of all outstanding financial obligations with the State of Rhode Island for any of the firms included in the proposal.
12. Please provide a cost proposal as follows:
  - A total, maximum price to accomplish all of the work described in Section 3.
  - A budget for each task/subtask which provides:
    - Labor estimate that correlates to the information provided in Section 5.3 above
    - Non-labor expenses
    - Items not included in the price

#### **Section 6: Evaluation and rating of RFP's**

The submitted RFP's will be reviewed and rated based on the following criteria

1. Company's experience with engagements similar in size and scope (20pts.)
2. The proposed team's professional resumes and applicable experience (20 pts.)
3. The Respondents approach to accomplish the work described in Section 3 (25 pts.)
4. Review of references (10 pts.)
5. Total cost (25 pts.)

#### **Response Date**

**Responses to this RFP are due by February 5, 2016 by 2:00 p.m.** Include one (1) electronic (PDF) version on a CD-ROM and five (5) printed copies of the complete proposal that must be mailed or hand-delivered in a sealed envelope marked:

Rhode Island Commerce Corporation  
ATTN: RFP Defense Industry Diversification Initiative - Phase II  
315 Iron Horse Way  
Suite 101  
Providence, RI 02908

The Corporation reserves the right to terminate the Project prior to entering into any negotiated contract with any qualified firm or firms pursuant to this Request for Proposals, and by responding hereto, no firm or firms are vested with any rights in any way whatsoever. **No phone calls or late submissions will be accepted.**